



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN

DEPARTMENT OF NATURAL RESOURCES

LANSING



REBECCA A. HUMPHRIES  
DIRECTOR

December 8, 2008

TO: Rebecca A. Humphries, Director

INFORMATION: Natural Resources Commission

Transaction: State Forest Land Exchange  
Baraga, Crystal Falls, Gwinn and Sault Saint Marie Management Units  
Baraga, Iron, Marquette and Chippewa Counties  
Land Transaction Case #20080245

Applicant: JM Longyear Corporation, Marquette, Michigan

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Private Land Offered Land in Baraga, Iron and Marquette Counties  
In Exchange: As described on the attached "EXHIBIT A" (809 acres more or less.)

Appraised Value: \$728,000.00 - Subject to confirmation of value

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State Land Desired Chippewa County, Kinross Township, T45N, R01W, Sections 21 and 28:  
In Exchange: All that part of the S ½ of Section 21 lying E of the centerline of Gaines Highway, EXCEPT that part lying west of the easterly edge of State Designated Snowmobile Trail # 49 otherwise known as the Mackinac Trail Spur. AND, All that part of the North ½ of Section 28 lying E of the centerline of Gaines Highway, Excepting and reserving unto the State of Michigan an access easement to enable the State of Michigan to access an adjacent parcel described as: The NW ¼ of SE ¼ of Section 28 (benefited parcel). The specific legal description of the subject easement is particularly described on the attached "EXHIBIT B."  
(355 acres more or less.)

Appraised Value: \$710,000.00 – Subject to confirmation of value

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Authority: Part 21 of Act 451, Public Acts of 1994, as amended

Notice: This item will appear on the Department of Natural Resources' (Department) December 29, 2008 Calendar, and is eligible for approval on January 5, 2009.

NATURAL RESOURCES COMMISSION

Keith J. Charters, Chair • Mary Brown • Hurley J. Coleman, Jr. • Darnell Earley • John Madigan • J. R. Richardson • Frank Wheatlake

STEVENS T. MASON BUILDING • P.O. BOX 30028 • LANSING, MICHIGAN 48909-7528

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Comments:

This transaction, a key part of what is known as the "Mascoma Project," benefits the Department by consolidating State lands in the western Upper Peninsula for wildlife habitat, more efficient and sustainable forest management and enhanced recreational opportunity. The benefit to the applicant is in securing a suitable location for a proposed cellulosic ethanol production facility. This is a Michigan Economic Development Corporation 21<sup>st</sup> Century Jobs Fund Initiative to promote jobs in Michigan as well as contribute to America's energy independence. The facility will provide jobs for the Upper Peninsula and a new market for Michigan forest products. The project is supported by the Governor as being part of Michigan's new "bio-energy initiative."

The desired State-owned land is located in central Chippewa County just east of Kinross. The property consists of 355 acres of forestland including red pine plantations and red oak stands as well as areas of maple and aspen. The land is crossed by several ORV trails which will be relocated onto adjacent State land at the applicant's expense. In addition, the Department will reserve an easement to get to a State-owned 40-acre parcel that lies immediately south of the desired land. The benefited parcel is without road frontage and would therefore be landlocked as a result of the exchange unless an easement is reserved.

The applicant and the Department will work together to define the location of any easements which may be needed for rail access and utilities for the project.

The offered 809 privately-owned acres are made up of ten separate parcels in three counties: Baraga (223 acres), Iron (76 acres), and Marquette (510 acres). A listing and narrative of the resource values of the offered properties are provided on the attached "Exhibit A".

This transaction will contribute to the Department's Land Consolidation Strategy by acquiring lands that fit in well with State ownership and contribute to the Department's mission. This transaction will aid efficient forest management, enhance wildlife habitat and improve access for management purposes and public recreation in the State Forest.

The desired State-owned lands were acquired by tax reversion in 1939 and 1940.

The proposed exchange will be reviewed by the Land Exchange Review Committee on December 18, 2008. The Mineral and Land Management Section staff of the Department's Forest, Mineral and Fire Management has determined it appropriate to exchange mineral rights with applicant provided the State will receive all mineral rights owned by the applicant in

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the offered lands and that the number of such acres is not less than the number of acres of desired State land.

Recommendation: That the exchange be approved, under authority of Part 21, Act 451 of 1994, as amended, with the following provisions:

- a. State reservation of aboriginal antiquities.
- b. State reservation of access easement as noted on attached "Exhibit B."
- c. Applicant to provide funds as needed to relocate existing ORV trails onto adjacent State-owned land. Such funding needs will include structures as necessary such as boardwalks or low bridges to protect wetland resources from ORV usage. The trail relocations should be undertaken as soon as possible after snow-melt but no later than nine months after closing. Relocation work subject to approval of Sault Ste. Marie Unit Manager.



David E. Freed, Chief  
Land and Facilities



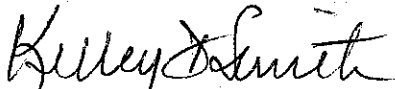
Russ Mason, Chief  
Wildlife



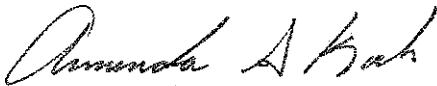
Lynne M. Boyd, Chief  
Forest, Mineral and Fire Management



Ronald A. Olson, Chief  
Parks and Recreation



Kelley D. Smith, Chief  
Fisheries



Arminda S. Koch  
Resource Management Deputy

I approve the staff recommendation.

Rebecca A. Humphries  
Director

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Date Approved

“EXHIBIT A”

Longyear Mascoma Land Exchange - Offered Land List  
November 20, 2008

#1- Iron County, T44N, R33W, Sec. 3, the N1/2 of NE1/4, 75.88 acres.

A parcel with rolling and primarily upland topography with forest cover comprised mainly of northern hardwoods and a lesser component of aspen. An unnamed creek runs roughly through the middle of the parcel providing riparian wildlife habitat. Although the parcel is landlocked, the Department will be able to access the parcel over its existing forest roads.

#2-Baraga County, T47N, R34W, Section 5, the NE1/4 of SW1/4, 40 acres.

A parcel comprised primarily of upland northern hardwoods with about a quarter of the land being lowland creek bottom or beaver flooding. Access to the parcel is available via county-maintained Pit Road on which it has ¼ mile of frontage. State land adjoins on two sides.

#3-Baraga County, T47N, R34W, Sec. 26, NE1/4 of SW1/4 lying NE'ly of River, 36 acres  
25 acres of this parcel is comprised of upland northern hardwoods with a lesser amount of lowland fir, spruce and cedar. Acquisition of the parcel will enable the Department to manage timber on adjacent land. Includes frontage on the Net River Flooding, a Wildlife Division project and special conservation area. Borders State land on three sides.

#4-Baraga County, T47N, R33W, Section 30, SW1/4 of SW1/4, 36 acres.

Comprised entirely of upland northern hardwood forest type, this parcel will help secure overland timber harvest access and will nicely block in State ownership. State land adjoins on two sides. No known legal access.

#5-Marquette Co, T51N, R27W, Section 25, the S1/2 of NW1/4, the N1/2 of SW1/4; Section 26, the SE1/4 of NE1/4; 200 acres

A fine consolidation parcel which adjoins State land on three sides, this acquisition will eliminate a full mile of boundary maintenance for the Department. In addition, the parcel boasts 64 acres of northern hardwoods as well as significant deeryard habitat that Wildlife Division has had as an acquisition target for some time. There is no road frontage or legal easement by which to gain access.

#6 - Baraga County, T47N-R34W Section 35, W1/2 of NE1/4, except 5 acres in MDNR flooding; 75 acres

Three quarters of this parcel has upland aspen cover, the remainder lowland spruce-fir type. Acquisition will enable the Department to manage timber on adjacent land. Has frontage on the Net River Flooding, a Wildlife Division project and special conservation area. Borders State land on three sides. Very nice consolidation acquisition. No known legal access.

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#7 – Marquette County, T51N-R26W, NE1/4 of NE1/4 of Section 31 – **40 acres** (within deer-yard complex)

85% to 90% upland supporting northern hardwoods/aspen. Adjoins state land and is within the State Forest boundary. The small lowland area is part of the Yellow Dog swamp complex (deer yard). Johnson Creek cuts through the south west corner.

#8 – Marquette, County, T51N-R26W SW ¼ of Section 29 – **160 acres**

Predominantly upland hardwood/aspen with pockets of lowland hardwood. Blocks in nicely with state land since 120 acres is within the State Forest boundary. Fairly level, good manageable forest land.

#9 – Baraga County, T47N-R34W Section 6, NW ¼ of NW ¼ - **36 acres**

A landlocked upland parcel comprised mainly of northern hardwoods with a lesser component of mixed hemlock and hardwoods. Acquisition will consolidate two State-owned parcels that are currently non-contiguous.

#10 – Marquette County, T50N-R27W, Section 12, N ½ of NW ¼ and the NW ¼ of the NE ¼ except the NE ¼ thereof. **110 acres**

A level to gently rolling parcel comprised primarily of lowland hardwoods with a lesser component of upland hardwoods and aspen. Contains a portion of the Johnson Creek. Contiguous to State Forest land on two sides, this parcel includes a legal easement for access to be provided by seller. Access to other State-owned land will be enhanced by this acquisition.

**Total Offered Acreage:** **808.88**

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**“EXHIBIT B”**

**Legal Description of Access Easement Reservation by State of Michigan**

The south 66 feet of that part of the SE  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 28 lying E of the centerline of Gaines Highway.

ALSO:

The south 66 feet of the west 66 feet of the SW  $\frac{1}{4}$  of the NE  $\frac{1}{4}$  of Section 28.

Benefited State-owned Parcel:

The NW  $\frac{1}{4}$  of the SE  $\frac{1}{4}$  of Section 28, T45N, R01W, Kinross Twp., Chippewa County.

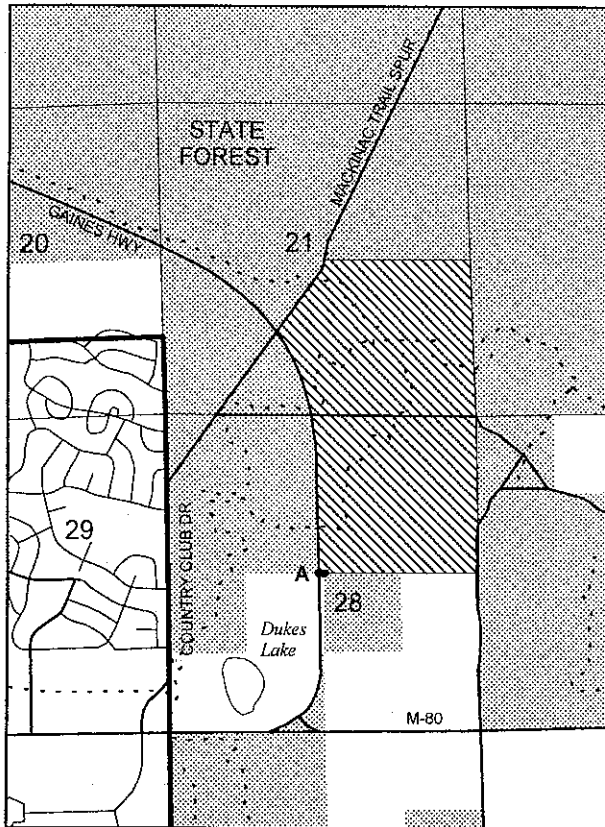
# STATE FOREST LAND EXCHANGE AND BOUNDARY MODIFICATIONS

Baraga, Crystal Falls, Gwinn, and Sault Saint Marie Management Units

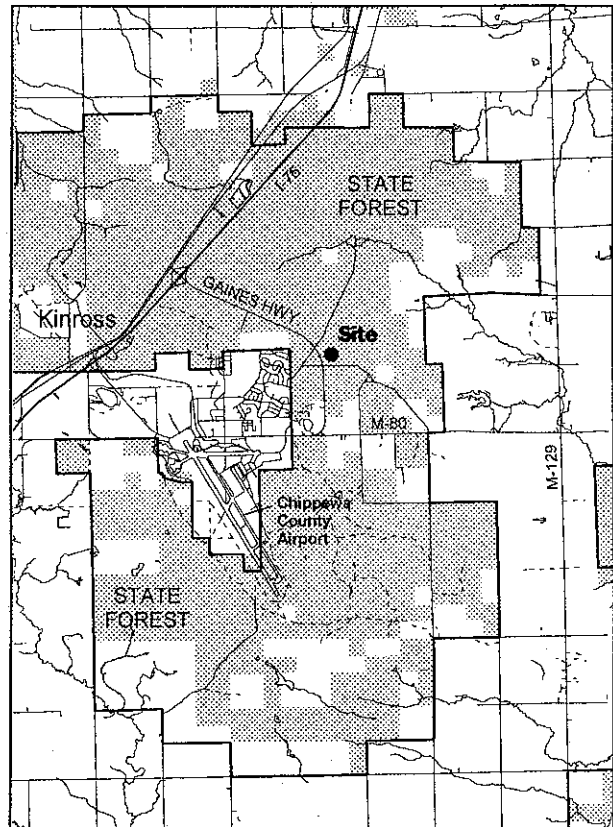
Baraga, Chippewa, Iron, and Marquette Counties

Land Transaction Case #20080245

(Map 1 of 5)

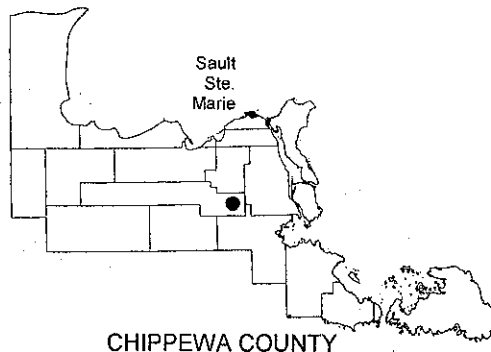


Chippewa County, Kinross Township  
Sections 21 and 28, T45N, R01W



Regional Location

- State Forest boundary
- Motorcycle trail
- Access easement reserved by DNR (A)
- Land desired from DNR in exchange (355.00 acres)
- State land
- Private Land



CHIPPEWA COUNTY



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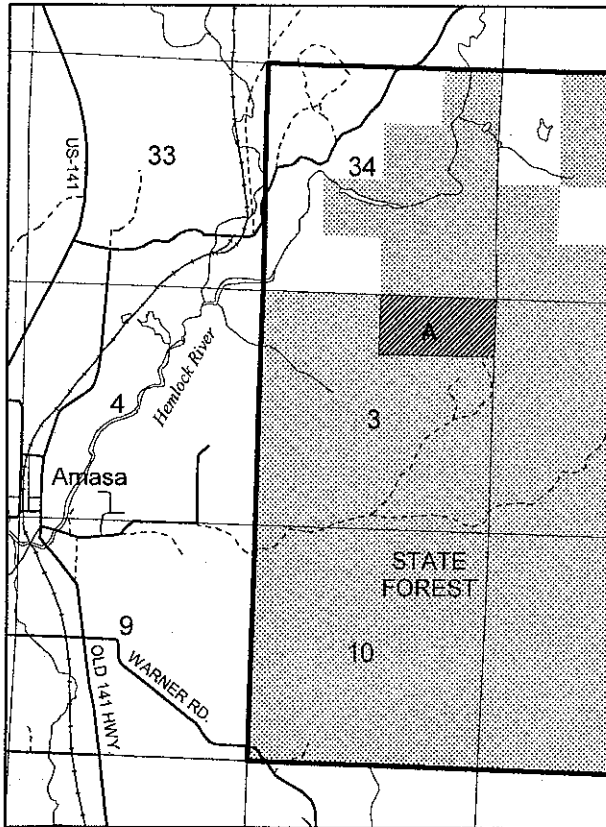
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Baraga, Crystal Falls, Gwinn, and Sault Saint Marie Management Units

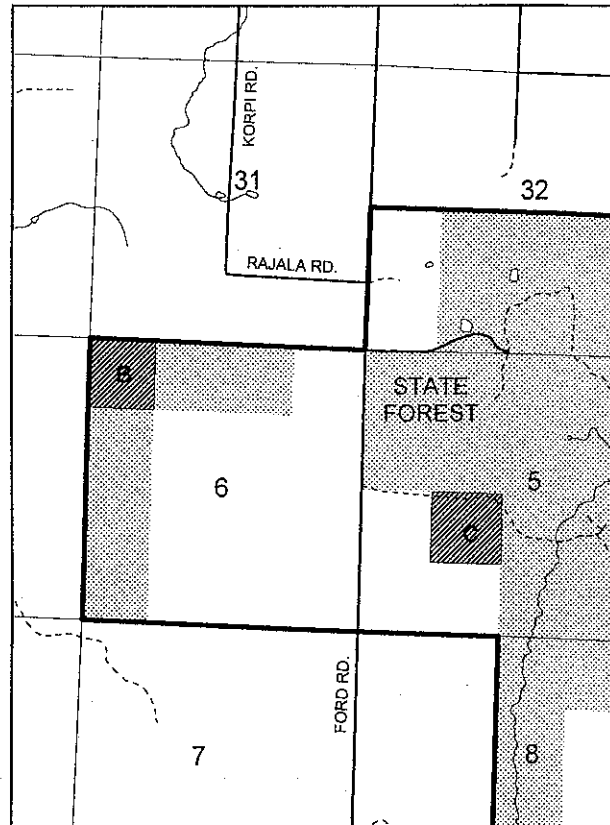
Baraga, Chippewa, Iron, and Marquette Counties

Land Transaction Case #20080245

(Map 2 of 5)



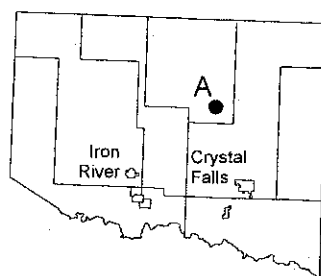
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Section 3, T44N, R33W



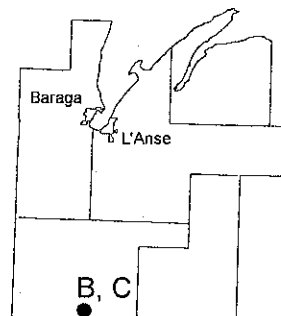
Baraga County, Covington Township  
Sections 5 and 6, T47N, R34W

- State Forest boundary
- Private land offered to DNR in exchange (75.88 acres)
- State land
- Private Land

- Private land offered to DNR in exchange
- Section 5 (40.00 acres)
- Section 6 (36.00 acres)



IRON COUNTY



BARAGA COUNTY



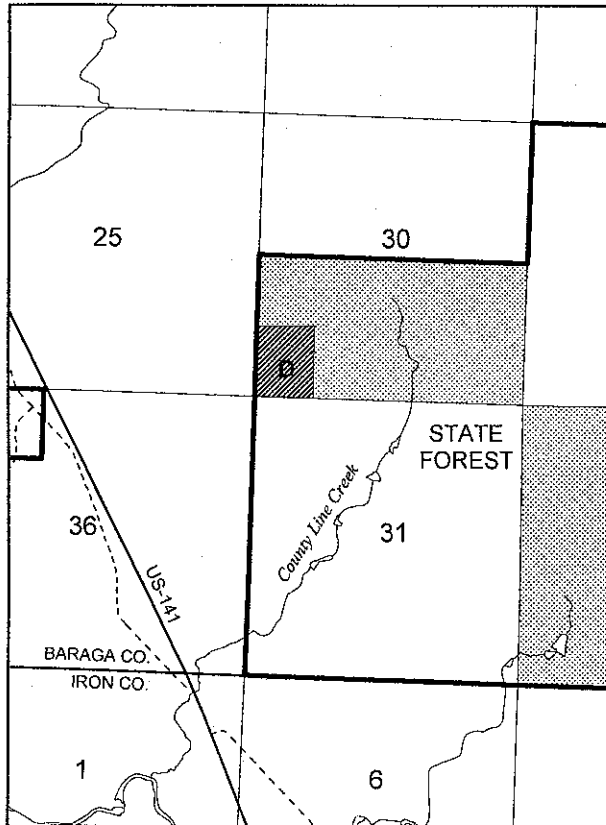
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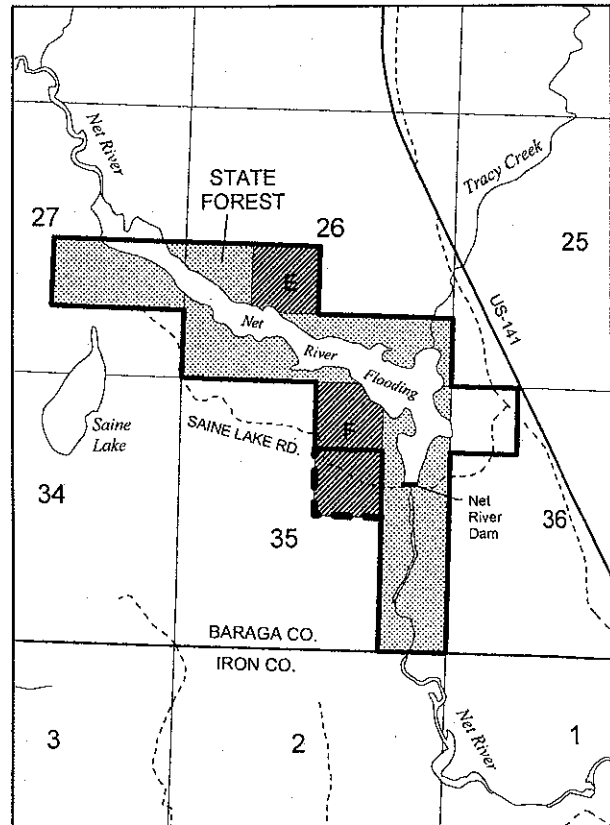
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Baraga, Crystal Falls, Gwinn, and Sault Saint Marie Management Units  
Baraga, Chippewa, Iron, and Marquette Counties  
Land Transaction Case #20080245

(Map 3 of 5)



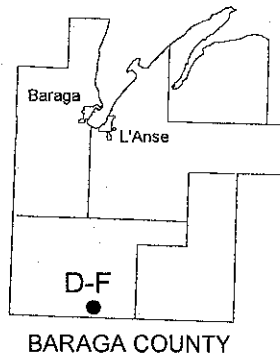
Baraga County, Covington Township  
Section 30, T47N, R33W



Baraga County, Covington Township  
Sections 26 and 35, T47N, R34W

- State Forest boundary
- ▨ Private land offered to DNR in exchange (36.00 acres)
- ▤ State land
- Private Land

- - - Proposed boundary modification
- ▨ Private land offered to DNR in exchange
- Section 26 (36.00 acres)
- Section 35 (75.00 acres)



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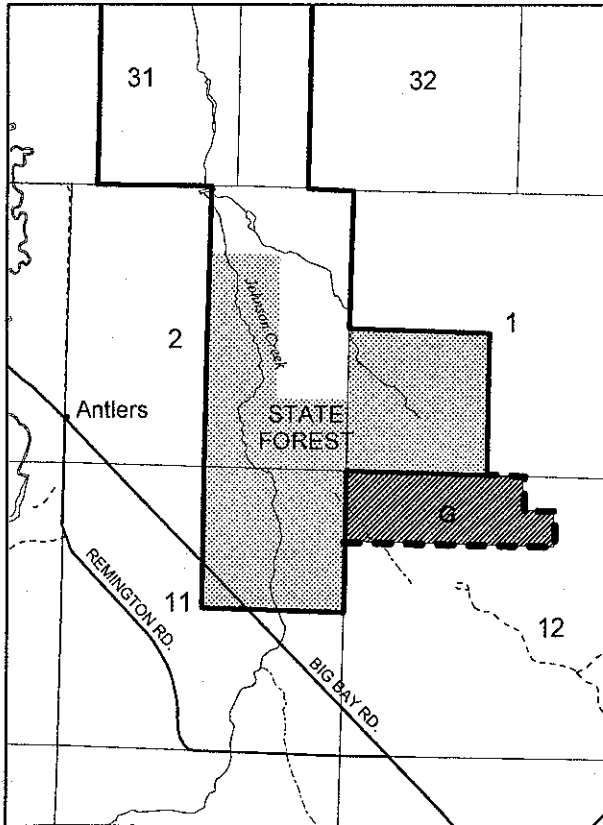
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Baraga, Crystal Falls, Gwinn, and Sault Saint Marie Management Units

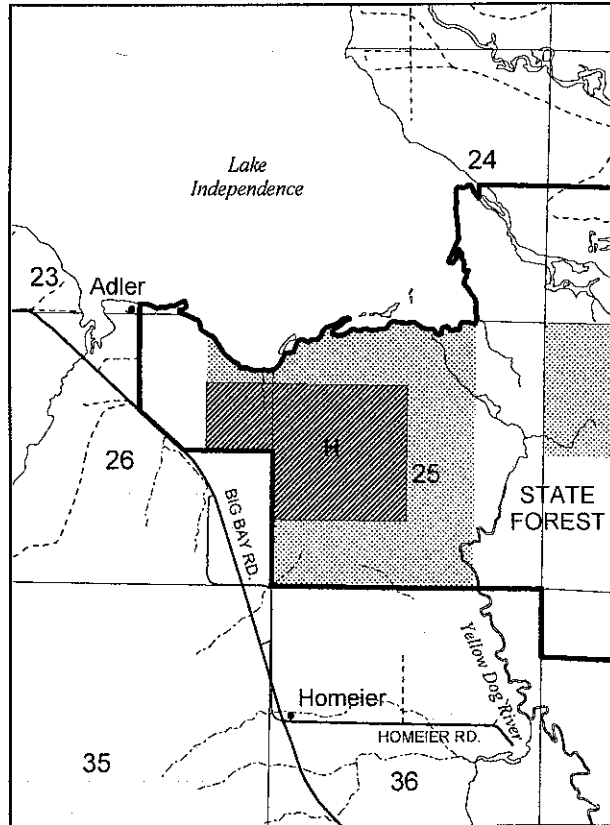
Baraga, Chippewa, Iron, and Marquette Counties

Land Transaction Case #20080245

(Map 4 of 5)



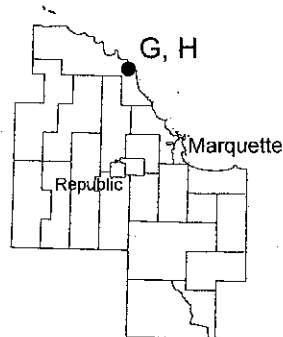
Marquette County, Powell Township  
Section 12, T50N, R27W



Marquette County, Powell Township  
Sections 25 and 26, T51N, R27W

- State Forest boundary
- - - Proposed boundary modification
- ▨ Private land offered to DNR in exchange (110.00 acres)
- ▩ State land
- Private Land

- ▨ Private land offered to DNR in exchange (200.00 acres)



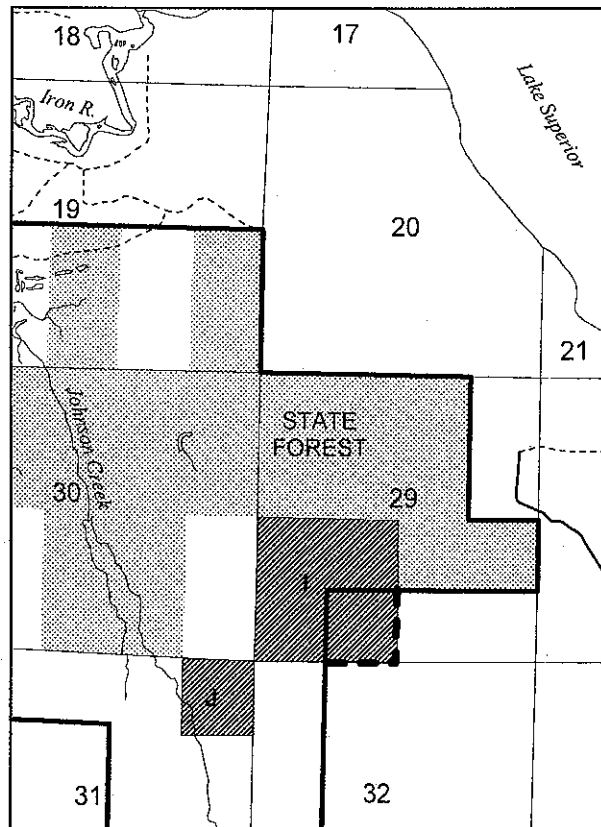
MARQUETTE COUNTY



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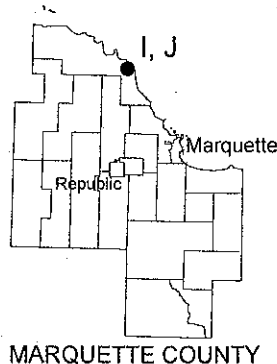
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Baraga, Crystal Falls, Gwinn, and Sault Saint Marie Management Units  
Baraga, Chippewa, Iron, and Marquette Counties  
Land Transaction Case #20080245  
(Map 5 of 5)



Marquette County, Powell Township, Sections 29 and 31, T51N, R26W

- |                         |   |
|-------------------------|---|
| — State Forest boundary | - - - Proposed boundary modification    |
| State land              | Private land offered to DNR in exchange |
| Private Land            | Section 29 (160.00 acres)               |
|                         | Section 31, (40.00 acres)               |



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